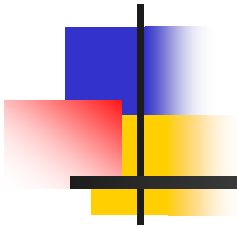


Overview on China's Collective Forests Research

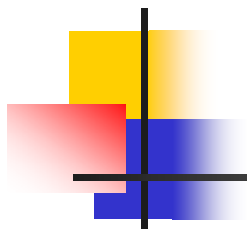


国家林业局经济发展研究中心课题组

FEDRC Research Group

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Framework

1. Development History of Collective Forests
2. Forestry ownership
3. Management mode
4. Collective forest distribution
5. Main products and their contribution
6. Policies and programs occurred to CFs
7. Issues to be further studied



Development History of Collective Forest

- Formation of Collective Forest
 - Rural Cooperatives Campaign (1953)
 - People's Commune(1958)
- Development of the Collective Forest
 - Agricultural households' responsibility system (1978)
 - Forestry “three fix” policy (1981)
 - **CFs** allocated to individuals and households as **self-keeping plots** and **responsibility mountains**

Forestry ownership

Forestry ownership in China

State-owned forestry

State-owned forest enterprises

State-owned forest farms

Collective forestry

Collective forest farms

Individual forests or woods

.....

Generally:

- Property rights of CF = legitimate rights of occupation, utilization, benefit and disposal over the forests, woods and forestland

For Forestland:

- owned by collectives

For Forests/woods or trees:

- owned by either collectives or individuals



Management models of Collective Forest

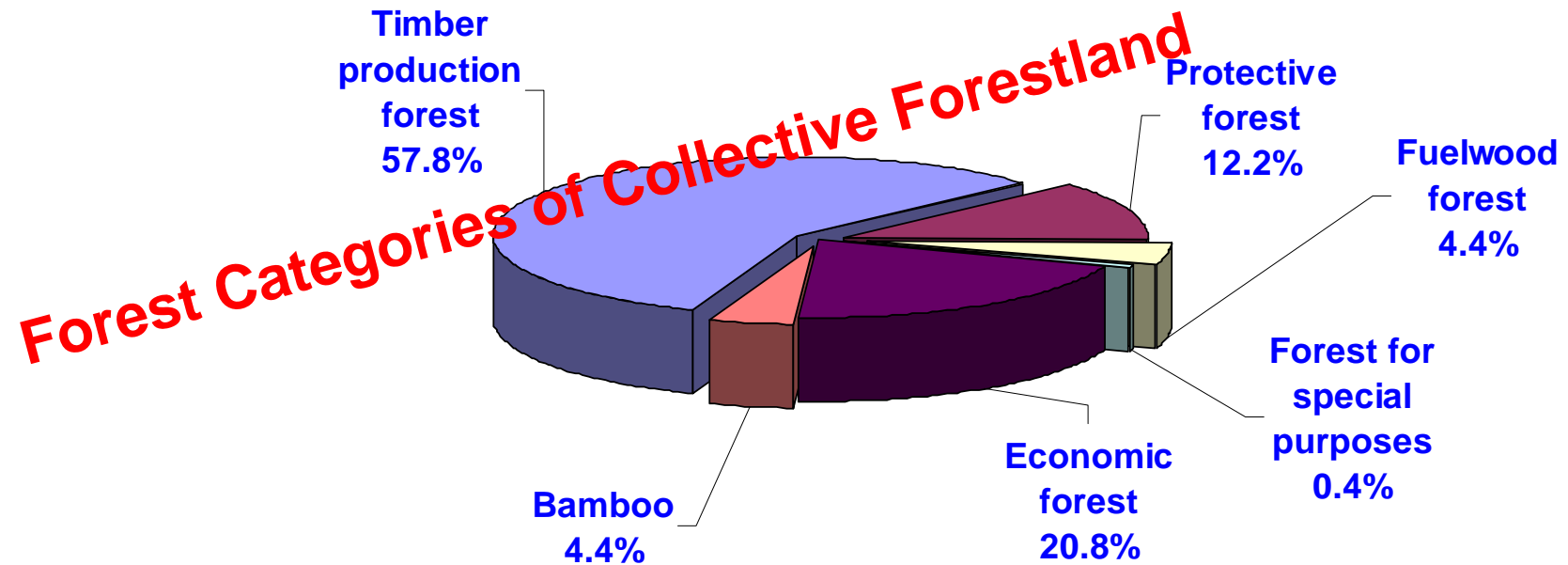
During the development of CFs, various management models were created to CF land:

- contract or lease (self-keeping plots or responsibility mountains)
- share-holding cooperatives, and
- share-holding
- Collective management

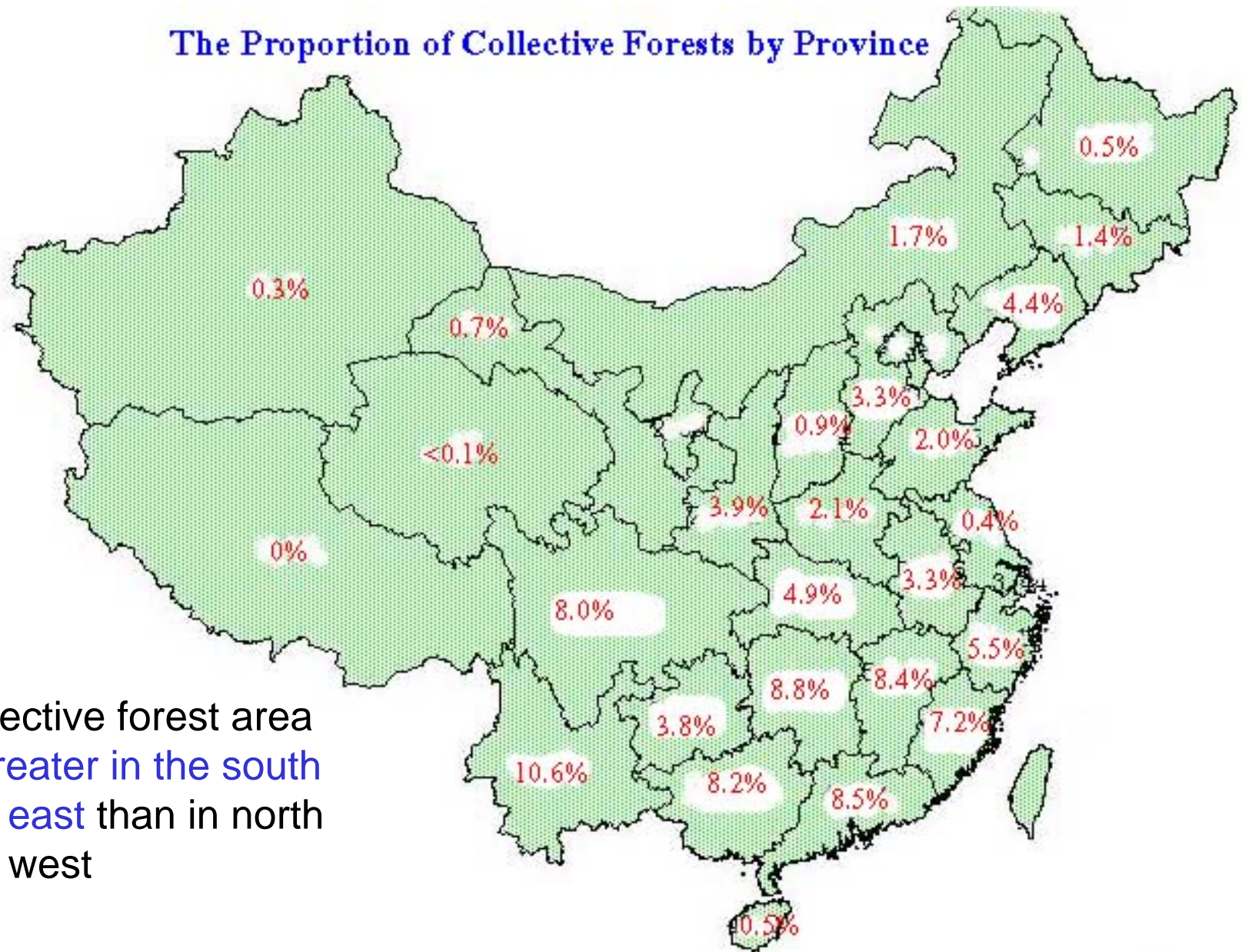
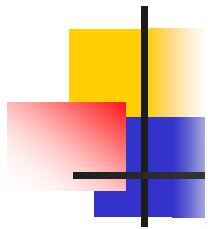
So far, there is no data on representative percentage of each management model, or its production output.

Distribution of Collective Forests

- According to the 5th forest inventory (1994-1998), **CF total area** is 89.746 million hectares, accounting for 58.4% of the nation's total forest area

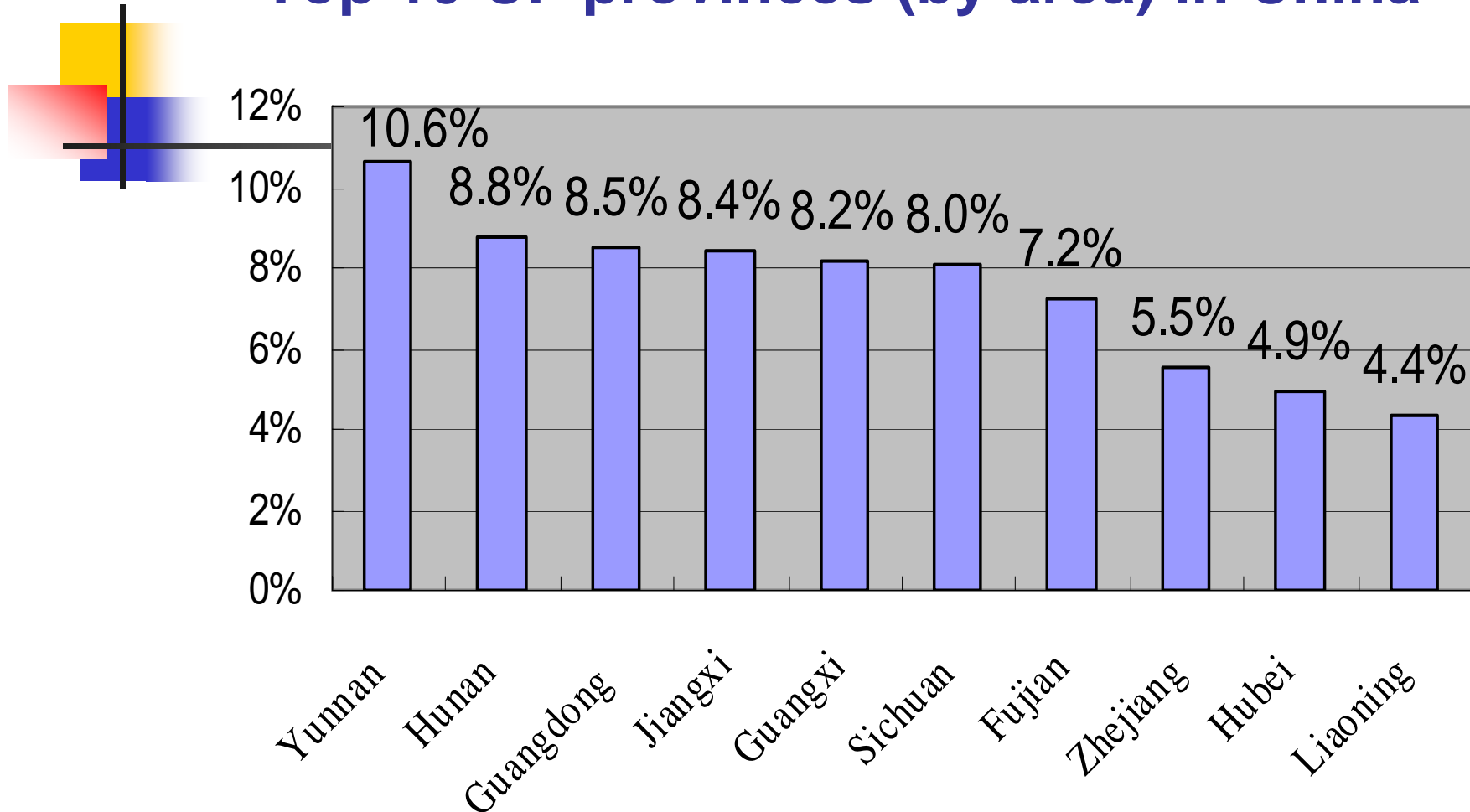


The Proportion of Collective Forests by Province



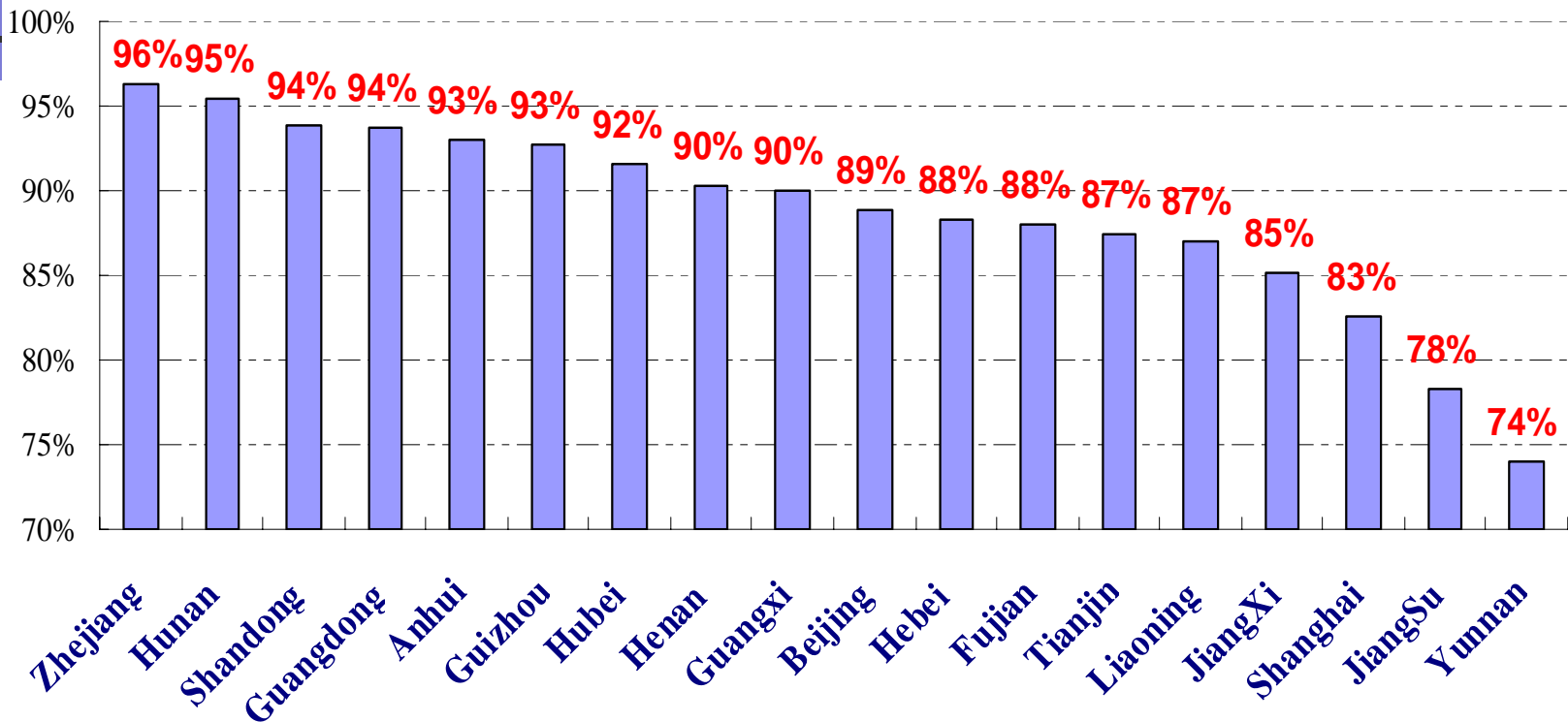
Collective forest area
is greater in the south
and east than in north
and west

Top 10 CF provinces (by area) in China



The CF area in these top 10 provinces is 67 million ha, making up 75% of the total CF area

Percentage of Forests that are Collective Forests by Province



16 provinces have greater than 80% of their forests designated collective forests

**9 provinces above 90%
7 provinces 80-89%
2 provinces 70-79%**

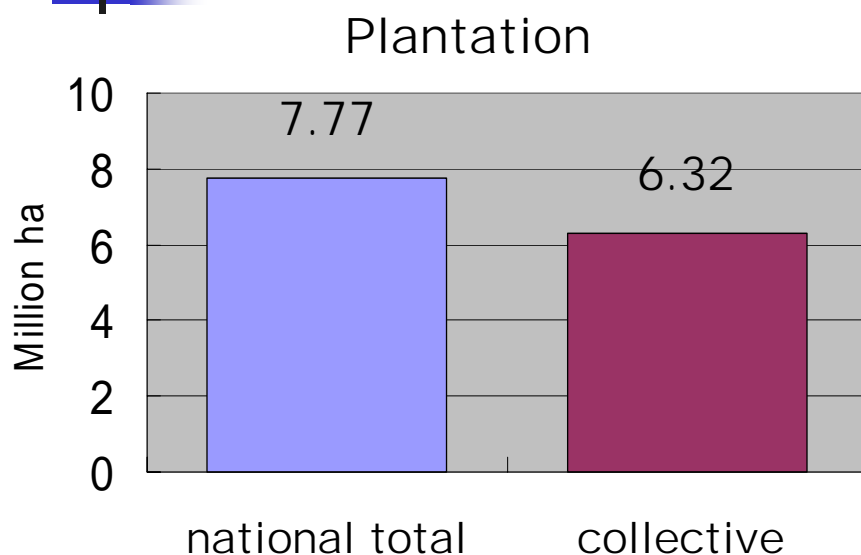


Contribution of Collective Forest Products

- **In China, 69% of its area is mountains and highlands. It's here that 56% of the total population (1.3 billion) lives.**
 - CFs provide products for farmer's lives, including timber, fuel wood, fruits, and vegetables
 - CFs provide job opportunities
 - Development of eco-tourism & a flower industry - new industries developed for rural areas

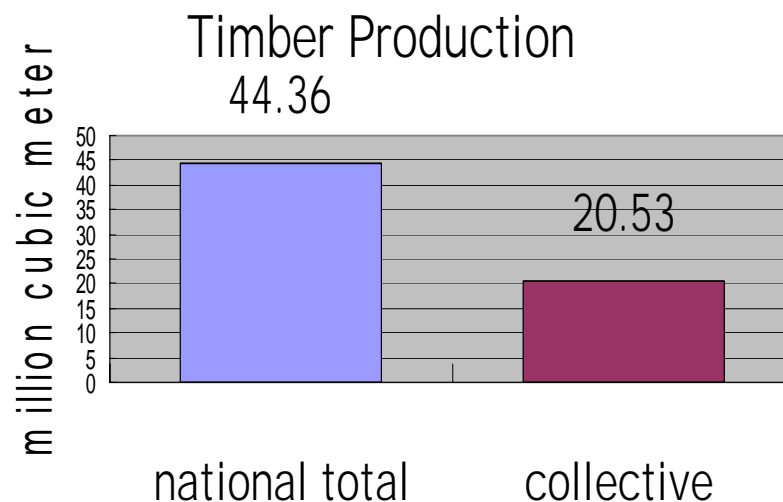
playing an important role in increasing rural economic development and contributing to farmers' income from the following data

Collective forest products

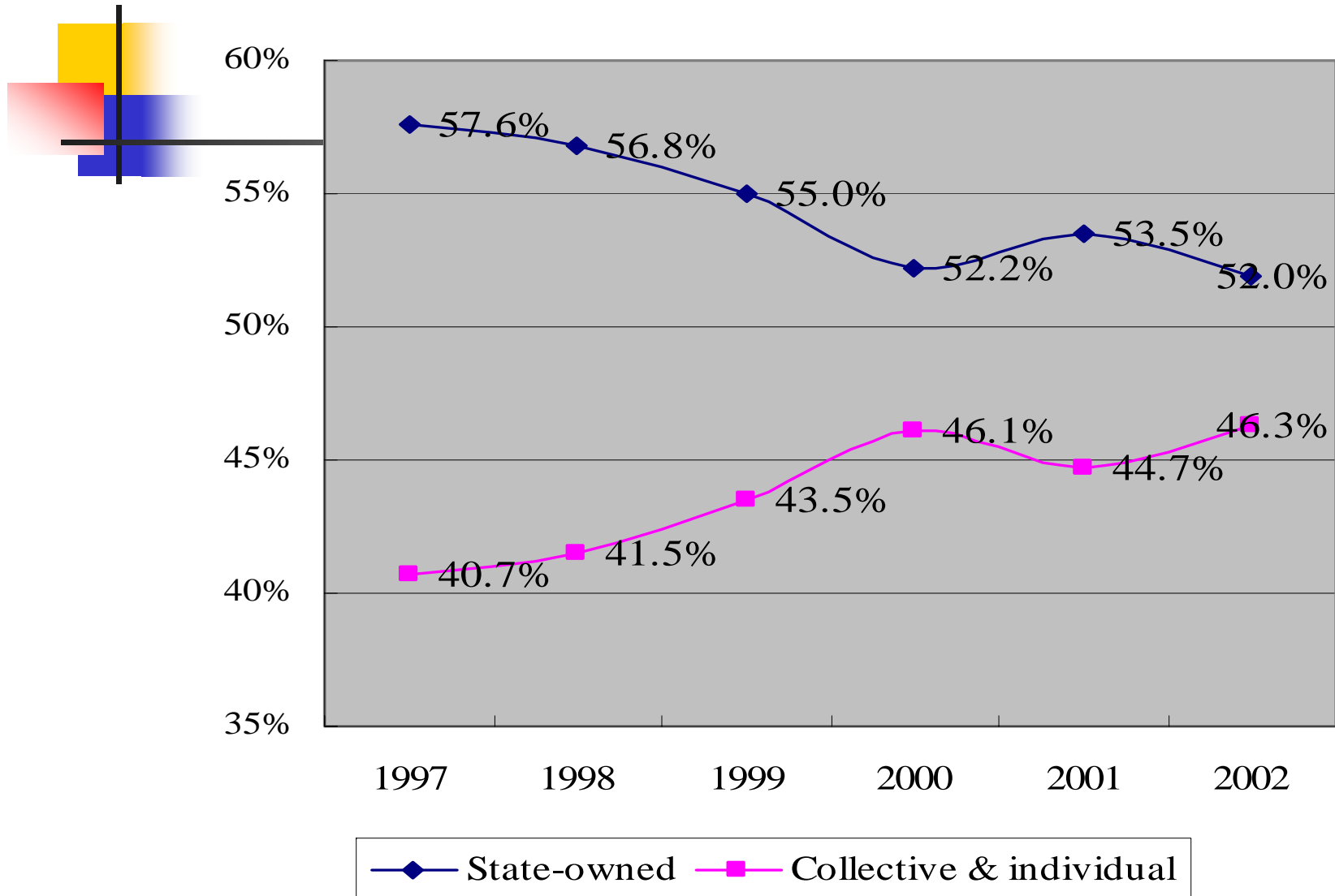


■ In 2002, **81.3%** (6.32 million) of plantations in China were collectives

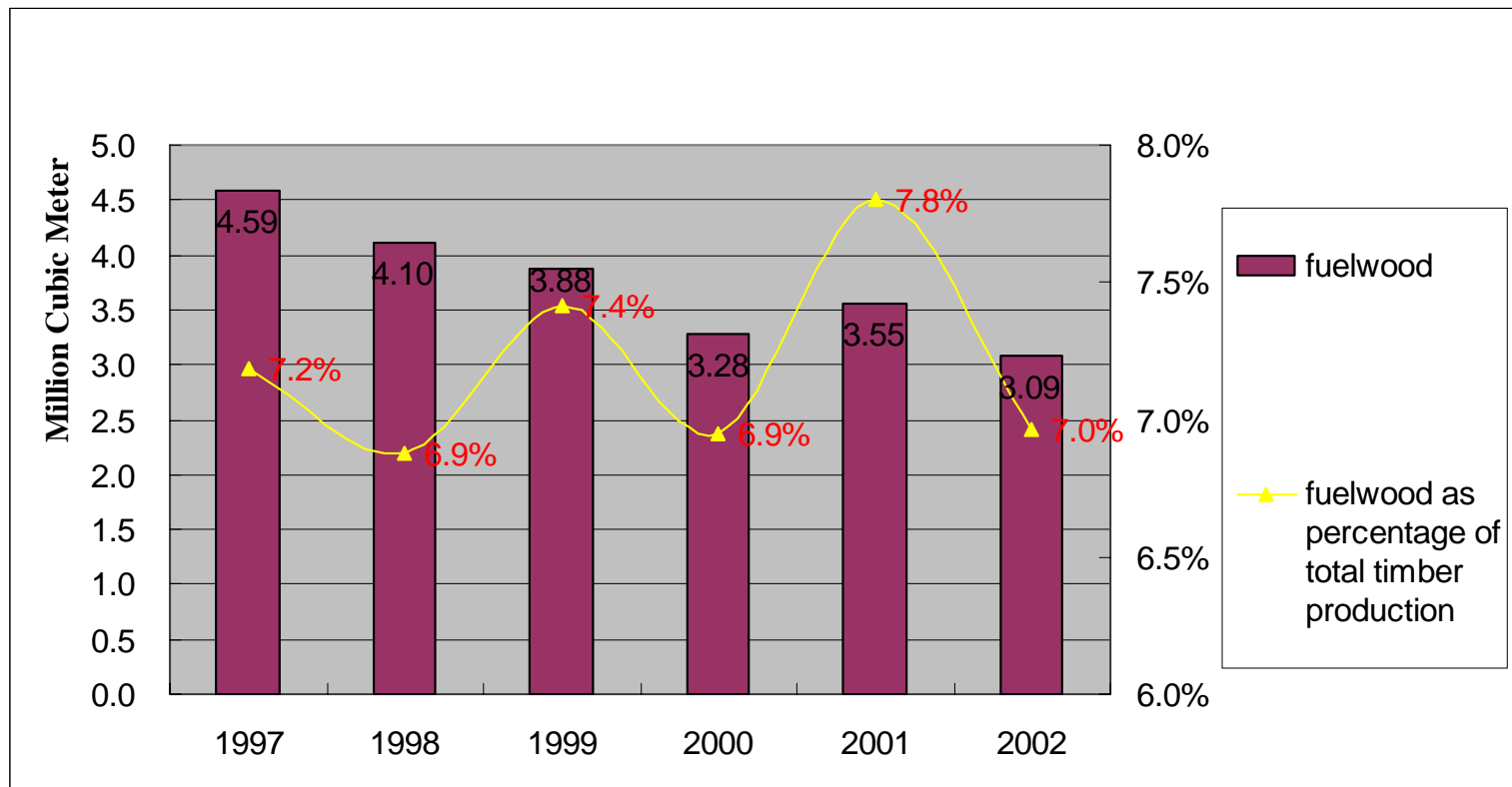
■ **46.3%** (20.52 million m³) of the total national timber production was from collective forests



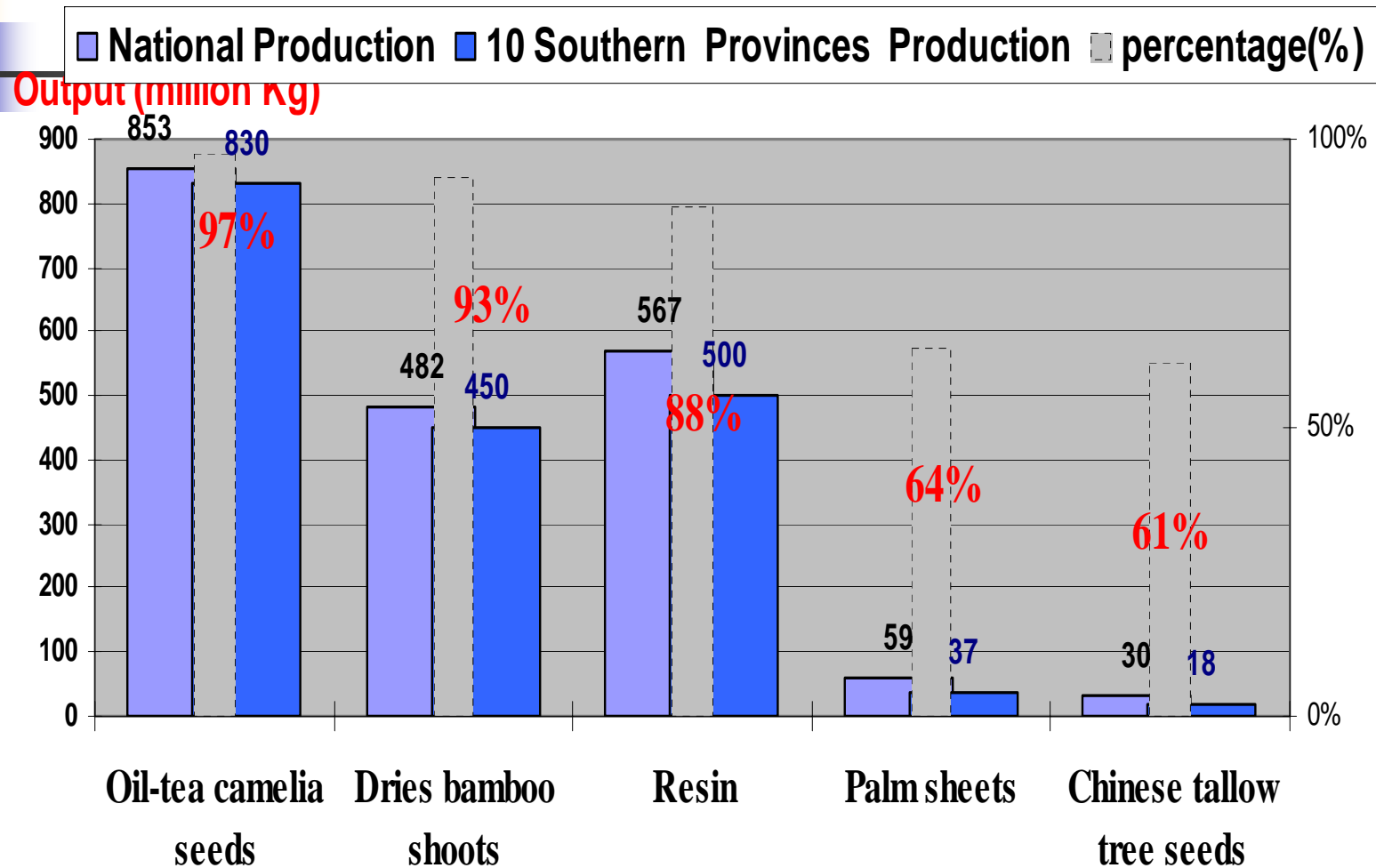
Sources of Timber Production



Fuelwood production



Output of non-wood forest products from CFs in 10 southern provinces





Policies & programs occurred on CFs

- Natural Forest Protection Program (NFPP) -
logging ban
- Forest Ecological Benefits Compensation Policy
- Timber tax and fees policy
- Harvest quota policy
-




Natural Forest Protection Program

NFPP covers 17 provinces with the duration from 2000 to 2010, its main activities including:

- natural forests logging ban (30.4 mha)
- improved management (30.8 mha)
- artificial plantation (1.9 mha)
- aerial seeding (7.1 mha)
- mountain closure (3. 7 mha)
- About 100 billion RMB was budgeted for NFPP

Collective Forest within NFPP areas



Items		NFPP forest area	Collective forest area within NFPP	
unit		1000 ha.	1000 ha.	proportion (%)
Total		72,899.7	26,807.3	36.8
Upper reaches of Yangtze River	Hubei	2,779.2	2,384.3	85.8
	Chongqing	1,728.7	1,464.7	84.7
	Sichuan	12,912.6	5,805.9	45.0
	Guizhou	4,470.7	4,154.1	92.9
	Yunnan	9,237.5	6,833.3	74.0
Upper and middle reaches of Yellow River	Shanxi	1,546.7	491.4	31.8
	Henan	617.7	507.3	82.1
	Qinghai	1,927.3	83.3	4.3
	Gansu	2,430.5	708.8	29.2
	Shaanxi	6,368.0	3,927.7	61.7
	Ningxia	719.9	436.5	60.6
Key state forest regions in Northeast and Inner-Mongolia	Heilongjiang	8,223.9	0	0
	Jilin	3670	10	0.3
	Inner-Mongolia	8,151.8	0	0



Economic impact on collective forests

- both positive and negative impact on farmer's income
 - Some farmers receive labor payment by participating in planting and management; Vs. majority of farmers lost jobs and their income decreased → poverty reappears some area
- the profits of township forest enterprises and rural employment are decreasing
- income reduction of collectives in NFPP areas
- ??? included without consensus → violated CF owner's rights and benefits
 - → Zhao Yaoqiao's discovery



Forest Ecological Benefits Compensation Policy

- launched in 2001, 11 provinces--
660 counties and 24 Natural Reserves
- Forest area: 13.33 million ha (0.2 billion mu)
Collective Forest: 8.55 million (64.12%)
- Criteria of FECP:
US\$ 9 per ha (5 Yuan per mu)
- The amount of the fund:
US\$ 120.7 million per year (1 billion yuan)

Areas of compensated public forests in 2002

Province	compensated public Forest areas (kha)	Among: Areas of collective forest (kha)	Proportion of Collective Forest (%)	Amount of subsidy per ha. (yuan/ha)	Total amount of subsidy (million yuan)
Total	13,333.33	8549.27	64.12	75	1,000
Hebei	1266.67	971.60	76.71	75	95
Liaoning	1400.00	1164.87	83.21	75	105
Heilongjiang	1666.67	96.13	5.77	75	125
Zhejiang	200.00	161.73	80.87	75	15
Anhui	800.00	618.40	77.30	75	60
Fujian	866.67	690.27	79.65	75	65
Jiangxi	1266.67	723.73	57.14	75	95
Shandong	533.33	414.20	77.66	75	40
Hunan	2000.00	1711.93	85.60	75	150
Guangxi	2333.33	1996.40	85.56	75	175
Xinjiang	1000.00	0.00	0.00	75	75



Impacts of FEBC on CF

Negative impacts: restricted harvest of the compensated public forests, reduce forest managers' income, affect people's interest in forest management

Positive impacts: bring certain benefits to forest managers, can be an incentive for forest management

positive < negative? or positive > negative ?

→ Ms Xu Xiuli



Timber tax and fees policy

—a sore point for the forest operators

Changes in timber tax and fees policy:

- ✓ Before 1982, about 20%
- ✓ 1982-1985, about 26%
- ✓ 1985-1994, about 40% or more
(42.2% in 1987 in Jinzhou, Hunan)
- ✓ 1994-2002, 60% or more
(62.2% in 1999 in Jinzhou, Hunan)
- ✓ Since 2002/3, some taxes and fees have been removed
 - ✓ **Eg. Special Agro-Forestry Product Tax(16% of Sales Income) and its additional—removed**



Timber tax and fees policy

—a sore point for the forest operators

Why so high?

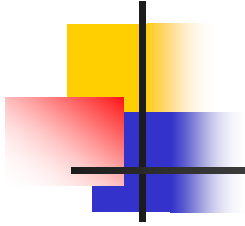
- Townships/villages even some local governments rely on the income from forestry
 - Forestry authority is lack of funding to maintain routine operation or personnel cost
 - → Convenient to charge
- Root-reason: financing scarcity



Impact of excessive timber tax and fees

What results?

- reluctant to participate in forest activity or even cut trees
- traders are reluctant to purchase timber
- tax evasion / timber smuggling
- Reduce the farmers income & hinders the economic development in forest area



Timber harvest quota policy

- Hot topic → under debating:
 - Abolish the policy completely
 - loose quota on commercial forest & fast-growing forest
 - follow and strengthen the current harvest quota policy

Although it is recognized generally that harvest quota policy does not suit the market economy any longer, there are still very few research on its impacts.

→ Ms Zhang Kun



Conclusions & Issues to Be Further Studied

- There exists a lack of nationwide or provincial data on many aspects of collective forests
- Farmers' property rights and interests to collective forests should be protected
- How do collective forests develop poverty-stricken areas
- The potential of collective forests, forest products and related industries

Thank you!

